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LEADERSHIP

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*The Secret to Transforming
Relationships & Unleashing Results*

THE
ARBINGER INSTITUTE

Authors of *The Anatomy of Peace* and *The Outward Mindset*

LEADERSHIP AND SELF- DECEPTION

*The Secret to Transforming
Relationships & Unleashing Results*

Revised and Updated Fourth Edition

THE ARBINGER INSTITUTE



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“It is in the darkness of their eyes that men get lost.”

BLACK ELK

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A NOTE REGARDING THE FOURTH EDITION

The book in your hands includes important changes and incorporates new characters that have not appeared in previous editions of *Leadership and Self-Deception*.

As an institute, we are constantly seeking to expand, refine, and better articulate our message. While the core ideas at the heart of this book remain the same, we have endeavored to present them in a way that is even more accessible and immediately applicable for a wider audience.

If you are a returning reader, we hope you find this new edition both familiar and refreshing. If you are reading this book for the first time, we hope it helps you in the challenges you may be facing in both the workplace and your personal life.

PREFACE

The problem of self-deception is both urgent and universal. In professional and private settings alike, the recurring challenges we face in our relationships and organizations stem from—or are made worse by—our failure to see ourselves and others clearly: as people. Each of us exists in relationship. Some connections bring joy, while others fuel frustration and pain. But it is regrettably common—and frighteningly easy—to lose sight of the humanity of others.

As an institute, our mission is to bring humanity to the workplace. Our clients have achieved remarkable results by applying the ideas you will encounter in this book to bring humanity to their work. Their experiences have repeatedly confirmed how seeing others clearly is foundational to personal and organizational success.

The story that unfolds in this book mirrors how individuals learn and apply these ideas inside our client organizations every day to transform relationships and unleash organizational results. Using a fictional narrative has allowed us to gather, combine, and adapt a wide variety of real-life stories and experiences that are woven into the story in these pages.

This book is about learning to understand, recognize, and mitigate self-deception. It is about learning to see other people and ourselves clearly. We hope it helps you live and lead in a way that is grounded in the foundational truth that *others matter like we matter*.

PART I

A DISEASE OF PERCEPTION

1 • THE CALLOUT

“You have a problem,” Theo said. The lines of his face, so recently animated with laughter, now lay still. “And it’s a problem we have to address if you two are going to make it here at Zagrum.”

The words were met by stunned silence from the room’s other occupants, Ana Rivera and Tom Callum. They had both heard about the two-day, closed-door orientation led by Theodore Jefferson for new leaders at Zagrum, but neither of them had anticipated it going like this.

Panic flitted across Tom’s face, replaced almost instantly by a guarded, wary look. His mind raced back four months to the day he’d been laid off from his previous company, and his hands clenched the armrests of his chair.

Across the table, Ana had taken a short, involuntary breath. Her face went pale, and her brown eyes flickered from Theo’s wire-rimmed glasses to Tom’s closed expression. She’d been afraid something like this would happen.

Ana opened her mouth to respond, but Tom cut her off. “What do you mean, Theo? We’ve only been here a month.”

Stifling her annoyance, Ana quickly added, “Of course, we’re still working out the kinks with all the merger details. And figuring out how to best coordinate our teams has been a bit...” She glanced again at Tom’s scowl. “Challenging.” *To put it mildly*, she thought.

“The problem is bigger than the merger,” Theo replied, his deep voice gentle. “And a month has been plenty of time to see it.” He didn’t enjoy provoking discomfort, but he had to get their attention.

“You are Zagrum’s newest leaders,” Theo continued, “and you’re joining us at a busy time for the company. I know you’re still getting the lay of the land and that your teams need you. But facing this problem is more important.” Theo looked at Ana. “It’s more important than Tom’s implementation timeline, as crucial as that is for our new product line to succeed. And,” he said, turning to Tom, “it’s more important than hitting the ambitious sales numbers Ana’s team has established, as much as we need to turn over inventory and reach our revenue targets.”

“All right,” Tom said brusquely, trying to cover his nerves and look proactive. “Let’s get to it then. What’s the issue here? Tell us what we need to do differently.”

Theo laughed, a quick thunderclap of sound. “I wish it were that simple.”

The frown on Tom’s face deepened.

“This problem doesn’t have an easy fix,” Theo continued. “It’s at the root of all organizational dysfunction. It undermines leadership, stifles innovation, and gets in the way of real collaboration. But despite the issues it causes, the problem is often overlooked and almost always misunderstood. Acting differently isn’t enough to solve it.”

Ana’s brow furrowed. “I don’t understand, Theo.”

“That’s okay,” he replied simply. “The problem we’re here to address is called *self-deception*, and twenty years ago it nearly tore Zagrum apart. Lou Herbert was the CEO at the time, and he and

his team barely managed to turn things around. Since then, understanding and mitigating self-deception has been a key strategic priority for the company.”

“So what is it?” Ana asked, keeping her voice level but internally bracing for the worst.

“And how do you know it’s an issue for us?” Tom said, his arms folded.

Theo acknowledged Ana’s question with a nod, then met Tom’s gaze. “Because,” he said, smiling, “I have the same problem.”

2 • THE DEEPER PROBLEM

“Early on in my career as an attorney,” Theo began, “I joined a law firm in Boston and was assigned to work on a major financing project involving thirty banks around the world. Our client was the lead lender on the deal, and I was thrilled to be involved.”

Theo smiled, remembering. “It had all the things I’d dreamed about during the long grind of law school: international travel, intricate legal issues, the chance to network with high-profile people, and dollar amounts with more zeros than I’d ever seen. I was the second-most-junior member of the team, and my job was to draft the fifty or so agreements that sat underneath the major lending contract. It was a heavy load of tedious work, but I was eager to prove myself.

“Just one week after I’d been assigned to the project, Tracie and I found out she was pregnant with our first child. Between my work and our baby preparations, the next eight months flew by. On December 22, our son David was born. We couldn’t have been more nervous or more excited.”

The memory shone in Theo’s eyes. He looked from Ana to Tom. “Do either of you have kids?”

Ana smiled. “I have a nine-year-old daughter named Miranda and a six-year-old son, Mateo.”

Tom cleared his throat as Theo looked at him. “Yeah, my daughter, Rebecca. She’s almost sixteen.”

“It changes everything, doesn’t it?” Theo leaned forward. “Like the world has a new center of gravity.

“Anyway, I worked hard to wrap up or trade off my assignments so that I could take three weeks off when David was born. We were exhausted and we were happy.

“But then came the phone call. It was December 29. The lead partner on the deal wanted everyone in San Francisco at the client’s offices, ASAP. Some details had shifted in a way that dramatically shortened our timeline, and it was all hands on deck.

“How long?” I asked.

“We’re here until the deal closes—could be three weeks, could be three months.’

“I was crushed to leave Tracie and our week-old baby. And I felt robbed of the extra time off I had earned.”

Ana made a sympathetic noise.

“It took me two days to get ready to leave. If Tracie’s sister hadn’t volunteered to help out, I’m not sure what we would have done.

“When I arrived, I discovered that I was the last one on the scene, and I got razzed for being late to the party. No one asked about our baby. The only remaining guest office was on the twenty-first floor. The deal headquarters, and everyone else, was on the twenty-fifth. So I hunkered down and got to work, barely noticing the start of the new year. From six in the morning until after midnight each day, I tried to finalize the various details of the legal agreements. Two or three times a day I would go down to the deli in the lobby and buy an overpriced and underwhelming sandwich or salad. Then I’d eat while poring over the documents. I felt alone on the twenty-first floor, isolated with my work and my photos from home.

"I called Tracie most afternoons. Between student debt, the cost of living in Boston, and the baby expenses, we were pretty cash-strapped. Plus, long-distance calls were expensive back then, so the phone calls were short. They left me longing for home and feeling more bitter about the project."

Tom was listening to the story with his arms folded across his chest, his mouth a straight line. Ana's head was slightly tilted, concern on her face.

"If you had asked me at the time what my work objective was, I would have probably said, 'Drafting the best possible documents to protect our client and close the deal,' or something like that. I was clearly committed, right?"

Ana nodded, and Tom shrugged agreement.

"But you should know a couple of other things about this experience. All of the key negotiations were happening on the twenty-fifth floor. They should have been very important to me." Theo tapped on the table to punctuate each word he said next. "Every single change to the deal made on the twenty-fifth floor had to be accounted for in the documents I was drafting.

"But I didn't go up to twenty-five much. In fact, it wasn't until after ten days of lackluster deli food that I noticed there was round-the-clock catering on the twenty-fifth floor for everyone working on the deal."

Ana winced.

"That sure would've been nice to know, right?" Theo said. "I got chewed out on two occasions for not including some of the latest adjustments in my documents, even though plenty of people could have mentioned them to me. On top of that, someone complained

about me being hard to find—like it was my fault I got the worst office.”

Tom settled his chin against his fist, elbow on the conference table.

“Let me ask you both,” Theo said, “just from what you now know about my San Francisco experience, would you say that I was really committed to ‘drafting the best possible documents to protect our client and close the deal?’”

“No,” Tom answered without hesitation. “You were preoccupied with missing your family and how you weren’t being included, so your focus wasn’t actually on the result.”

“Well, that doesn’t seem entirely fair,” Ana objected. “Your boss pulled you in to work during your time off, and you probably should’ve had parental leave to begin with.”

“Valid points,” Theo said. “And later, when I left that firm, it was mostly because I needed to find a better work-life balance. But Tom is also right,” Theo continued. “I wasn’t fully engaged.

“When I joined the firm, I knew I was signing up for long hours and inconvenient travel. But here—when we most needed the project to come together—my frustration and resentment were keeping me from offering my best work. I wasn’t thinking about our client, my coworkers, or any of the other people impacted by the way I was doing my job.”

Tom was nodding. Ana looked unconvinced.

“But how do you think I would have reacted if anyone had told me I seemed distracted, or uncommitted, or disengaged?” Theo asked.

Tom grunted, “Not well. People hate being called out.”

"I'm sure I would have gotten defensive," Theo replied. "And I had plenty of excuses! After all, who left behind a new baby? I did. Who was working eighteen-to-twenty-hour days? I was." His voice started to rise. "Who was essentially exiled to work four floors beneath everyone else? Me. And who got left out of basic details like food plans and contract changes? All me."

"As far as I knew, no one else had the challenges I did, but I was working hard despite them. In fact, in my mind, I might've been the most committed and engaged person on the deal! But any member of my team could have told you I had a problem," Theo continued, "a problem with my focus, my engagement, and even my performance. I was failing to catch issues I was hired to anticipate, and it was negatively impacting our project at a critical moment."

"But I had an even deeper problem," Theo said. "Any guesses?"

Tom and Ana glanced at each other, but neither spoke.

Theo leaned forward. "The bigger problem was that I couldn't *see* I had a problem."

3 • STUCK

“I was stuck,” Theo continued. “I wasn’t telling myself the truth about what was going on, and my view of others had become distorted. I was self-deceived.”

Tom made a skeptical noise and leaned back into his chair, remembering how Theo had claimed they all had the same problem.

Theo either didn’t notice or didn’t mind. “Even though the term sounds theoretical or philosophical, self-deception isn’t an academic issue. It’s at the heart of the people problems we grapple with every single day. It helps explain how and why we sometimes cause or amplify our own challenges but seem to be completely unaware that we are doing so.

“But before I get ahead of myself, what do you think? How could I be utterly convinced I was dedicated and self-sacrificing in San Francisco when everyone else on the project could see that I was distracted and disengaged?”

Ana spoke up. “Well, it’s not like you didn’t have any valid reasons to be distracted or even resentful, right?”

“I certainly felt justified.”

Ana’s brow furrowed. “It sounds like you’re saying that the circumstances didn’t matter, like you should’ve been able to perform at your best despite the conditions or how you were treated. But people aren’t robots, right? Isn’t it illogical to expect your work to be unaffected by your situation?”

“It’s a fair point, Ana. Employee well-being and productivity are impacted by many different factors, some of which are simply outside of an individual’s control. I didn’t choose that project deadline, and it wasn’t my fault that everyone couldn’t fit comfortably on the same floor.”

Ana nodded.

“But there were things I could have done differently,” Theo continued. “Instead of isolating myself and indulging in my self-pity, I could have reached out to the people it was my job to coordinate and collaborate with. I can’t have been the only one having a challenging time, and I certainly wasn’t the only one who was working hard. And just think of how much sooner I could have learned about the catering if I had gone upstairs where the teamwork was happening!”

“I wasn’t seeing things clearly. I was focused on myself and making excuses. Those are all symptoms of what we’re talking about—self-deception. And there’s no way to begin to change if you can’t see the problem.

“Here’s what I’d like you to do,” Theo said, looking from Ana to Tom. “It’s been about a month since we hired you, Tom, and about a month since the merger brought you to us, Ana. I think that’s been enough for you to see this issue at play here at Zagrum. Take a minute to think about where you’re seeing this happen. Are you running into people who are self-focused, disengaged, or causing issues that they seem to be unaware of? Have you experienced any of this on your teams? Write down what you’ve noticed.”

Ana uncapped her pen and pulled out a notebook. In the center of the table was a small stack of company-branded notepads and Theo slid one over to Tom.

Both Tom and Ana wrote slowly at first and then picked up steam.

“Okay,” Theo said after a few minutes had passed. “Let’s hear what you’ve got. Why don’t we start with you, Tom?”

“Oh, I didn’t realize we’d be asked to share,” Tom said, then cleared his throat. “I’ve been impressed with everyone here, for the most part. It’s a great company.”

“But that’s not what you wrote down,” Theo said, smiling.

“Right. Well, to be honest, I’ve been hearing about problems being caused by the sales team.”

Ana’s posture stiffened. Tom didn’t seem to notice. “I know this isn’t the first time you’ve heard this, Ana. My team says there’s more than one sales rep who keeps promising a deliverable or pricing that’s out of touch with reality. And I hear they get pretty wound up when we try to set them straight.”

Ana glanced at Theo, torn between the need to defend her team and the awkwardness of arguing in front of a senior executive.

“Don’t you think that’s an oversimplification, Tom?” Her voice was strained.

Tom waved a dismissive hand. “We’ve already talked about this. Your people are so eager to close a deal that they don’t consider realistic timelines or restraints, and then they expect us to somehow make it all happen.”

“I know your product team doesn’t like feeling rushed,” Ana said, “but if we don’t capitalize on the momentum of this new product line, our sales will tank.”

“Everything is going to tank anyway if we keep offering people custom features that we can’t support.”

“That was one single deal for a special client that I personally—”

“Okay!” Theo’s booming laughter filled the room. “Things are getting interesting!”

Tom’s face closed, and Ana looked down at the table as they both realized they were arguing in front of Theodore Jefferson.

“Sounds like you two have had this conversation before,” Theo said with an unfazed grin. “How’s it been working out?”

Tom grunted.

“This might surprise you,” Theo continued, “but I’ve been in a fair share of conflicts over the years. And you know what? Blame and defensiveness never seem to get me where I’d like to go.”

“I’m sorry,” Ana murmured.

“Oh, I’m not looking for an apology!” Theo responded. “This is exactly what we’re here for.”

To verbally duke it out? Tom thought.

“It’s my job to help you become the kind of leaders who invite collaboration and unlock the potential of others,” Theo continued. “And, if there are problems, to help you work through them and get unstuck. But, unfortunately, there’s no leadership tactic, communication technique, or secret formula that will make any real difference in solving this issue between your teams, or in your ultimate success for that matter.”

“Come again?” Tom asked.

Theo grinned. “What I mean is that there’s no behavior you can engage in as a leader that will make any lasting difference *unless* you see yourself and the people you impact clearly. If you’re going to be successful leaders, the first and most important step is learning how to see.”